



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2017 Biennium

<b>Bill #</b>	SB0096	<b>Title:</b>	Revise the controlled allocation of liability laws
<b>Primary Sponsor:</b>	Keane, Jim	<b>Status:</b>	As Amended

- |   |  |  |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact     | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns              |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts           | <input type="checkbox"/> Dedicated Revenue Form Attached |

### FISCAL SUMMARY

	<u>FY 2016 Difference</u>	<u>FY 2017 Difference</u>	<u>FY 2018 Difference</u>	<u>FY 2019 Difference</u>
<b>Expenditures:</b>				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$4,104,000	\$4,153,000	\$3,210,000	\$3,210,000
<b>Revenue:</b>				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
<b>Net Impact-General Fund Balance:</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**Description of fiscal impact:** SB 96 expands use of the orphan share account to allow the Department of Environmental Quality (DEQ) to evaluate and take remedial actions to respond to a release or threatened release at petroleum or hazardous substance sites. The bill allows funding for DEQ to collect data, conduct initial assessments, and take other appropriate remedial actions. It allows orphan share funding for remedial actions and places a cap on the amount of funding that DEQ can use to collect data, perform initial assessments, and monitor the performance of remedial actions.

### FISCAL ANALYSIS

#### Assumptions:

- DEQ has estimated that the orphan share fund will have \$10,253,558 available at the start of FY 2016, and the estimated orphan share fund balance for the beginning of FY 2018 will be \$4,842,174.
- If the funding for projects outlined in assumptions five and six were appropriated, the projects costs would be \$4,104,000 for FY 2016, \$4,153,000, and \$3,295,000 for both FY 2017 and FY 2018 is based on the completing the same project list outline in assumption 5 and 6.
- New subsection 75-10-743(12)(b), MCA, allows 20% of the funds appropriated to be used for data collection, initial assessment, or monitoring. Based upon the estimated appropriated funds, \$820,800 will be

available for this work in FY 2016, \$830,600 will be available for this work in FY 2017, and \$659,000 will be available for this work in both FY 2018 and FY 2019.

4. No new FTE are requested. Existing full time employees (environmental specialists) and contractors (with staff oversight) will be utilized to complete project work. There will be other staff that will charge minimal time to support this effort (e.g., accountants will process contract invoices, prepare budget reports, and process requisitions and administrative support staff will file, copy, etc.). There is an approximately 5% of funds needed for personnel services to support activities. To implement this bill there will be some shift of work assignments between this funding source of the orphan share account and other federal grant funding source(s).
5. Project work funded by this bill for petroleum releases from underground storage tanks over two biennia is estimated to be conducted at 100 orphan sites, those facilities where the current property owner did not operate or own the tank system when the release occurred, or those where the owner demonstrated a financial need for assistance, work at these sites would total \$1.5 million over two biennia.
6. Project work funded by this bill for hazardous substance sites will be as follows: approximately three large orphan sites, for approximately \$5.5 million dollars over two biennia; approximately six sites that require interim actions, for approximately \$6.8 million dollars over two biennia; and approximately 13 low priority sites where limited data collection is needed to delist the site, for approximately \$1 million dollars over two biennia.
7. Selected projects will be managed to comply with the financial constraints outlined in assumption two.

	<b><u>FY 2016 Difference</u></b>	<b><u>FY 2017 Difference</u></b>	<b><u>FY 2018 Difference</u></b>	<b><u>FY 2019 Difference</u></b>
<b><u>Fiscal Impact:</u></b>				
<b><u>Expenditures:</u></b>				
Personal Services	\$154,000	\$203,000	\$160,000	\$160,000
Operating Expenses	\$3,129,200	\$3,119,400	\$2,476,000	\$2,476,000
Equipment	\$820,800	\$830,600	\$659,000	\$659,000
<b>TOTAL Expenditures</b>	<b><u>\$4,104,000</u></b>	<b><u>\$4,153,000</u></b>	<b><u>\$3,295,000</u></b>	<b><u>\$3,295,000</u></b>
<b><u>Funding of Expenditures:</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$4,104,000	\$4,153,000	\$3,295,000	\$3,295,000
<b>TOTAL Funding of Exp.</b>	<b><u>\$4,104,000</u></b>	<b><u>\$4,153,000</u></b>	<b><u>\$3,295,000</u></b>	<b><u>\$3,295,000</u></b>
<b><u>Revenues:</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0
<b>TOTAL Revenues</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	(\$4,104,000)	(\$4,153,000)	(\$3,295,000)	(\$3,295,000)

**Effect on County or Other Local Revenues or Expenditures:**

1. This bill will provide funding for sites where local governments are potentially liable persons and are financially unable to conduct investigation and cleanup.

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*Sponsor's Initials*

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*Date*

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*Budget Director's Initials*

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*Date*